



## District Director's Corner

Welcome to the introductory issue of the Gateway e-Gazette. It brings us pleasure to know that you, the small business owner, made your way to our web site and are interested in learning more about the U.S. Small Business Administration and how it can help you manage and grow your business.

I am Dennis Melton and I am the new district director for the SBA St. Louis District Office. The St. Louis District Office is responsible for 54 counties in the eastern half of the state of Missouri. In this issue of the Gateway e-Gazette and in future issues, we hope to provide articles that will acquaint you with SBA products and services. We hope to bring to you articles that will take you just a few minutes to read and may open new doors to growing your business into the success you planned.

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## 8(a) and The Newberry Group: Tying it all Together

Brenda Newberry, President and CEO of The Newberry Group, was the 2005 Missouri SBA Small Business Person, as well as the 2005 St. Louis District Office Minority Small Business Person of the Year. The SBA 8(a) Business Development has assisted in the growth of the company. (see story on page 2).

The Newberry Group is a SBA 8(a) certified firm. Brenda has been able to obtain contracts through the 8(a) business development program. Those contracts have helped her increase employees and our district.

Take a look at her story. If you would like to see yourself in that story, then perhaps you need to learn more about our 8(a) business development program (see story on page 2 or log onto our web site at <http://www.sba.gov/mo/stlouis/opportunities.html>).

## SBA 8(a) Business Development & Small Disadvantaged Business Certification Programs

The SBA administers two particular business assistance programs for small disadvantaged businesses. These programs are the 8(a) Business Development Program and the [Small Disadvantaged Business Certification Program](#). While the 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in federal procurement. Companies which are 8(a) firms automatically qualify for SDB certification.

### Eligibility Requirements

To qualify for the program, a small business must be owned and controlled by a socially and economically disadvantaged individual. Under the Small Business Act, certain groups that are presumed "socially" disadvantaged include African Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, and Subcontinent Asian Americans. Other individuals can be admitted to the program if they show through a "preponderance of the evidence" that they are disadvantaged because of race, ethnicity, gender, physical handicap, or residence in an environment isolated from the mainstream of American society. In order to meet the economic disadvantage test, all individuals must have a net worth of less than \$250,000, excluding the value of the business and personal residence.

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Our office hosted a Size Standard Hearing in June. At that hearing, the SBA gathered input from small business owners on how to improve the agency's size standards regulations, which are used to define the size of small businesses. The hearing allowed small business owners to provide valuable input to help the SBA simplify and restructure its size standards and make other changes that will make the size standards easier to understand and use. Size standards are important to businesses that seek assistance from SBA's small business programs, including federal contracting.

In May and August we participated in loan workshops in St. Louis and Columbia where even the smallest entrepreneur learned how to complete and submit a commercial loan application. For those attendees that wished to actually submit them, there were both lender partners (three banks) and resource partners (i.e., SCORE, SBDC and WBC) to provide guidance and technical assistance.

There are many programs available for the small business owner and in this and future issues of the Gateway e-Gazette, we will provide information on them to help expand your world of small business!

Thanks for clicking onto our gazette! Your feedback is important to us, so please let us know what you think!

Dennis Melton

### **Gateway e-Gazette**

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Please contact any of us at the e-mail addresses listed above.

## **Can You See Yourself in This Success Story?**



Brenda Newberry founded The Newberry Group, Inc., in August 1996 with a personal investment of \$1000 and a lot of "sweat equity." She has grown the company from two employees to over 110 employees in seven states, Washington, D.C. and an international presence. The growth has been steady and the foundation has been developed for continued growth. Sales volumes have grown from less than \$50,000 in 1996 to over \$17 million in 2004.

The Newberry Group specializes in information technology; specifically, systems consulting, project management and IT staff augmentation services. The challenge for the company has been to build its reputation for quality services and superlative customer service while holding certification as a minority female, veteran-owned, SBA 8(a) Small Disadvantaged company.

"As an M/WBE, customers seem to have difficulty believing that our technical and business skills are strong enough," Brenda states. "The female aspect makes this challenging because many of the key decision makers are men; therefore, female executives often have a difficult time establishing the networking business relationships that actually lead to real opportunities."

Despite the challenges, under Brenda's leadership the Newberry Group has built its reputation by being the bridge between complicated IT systems and the end user. Through responsive, flexible and efficient support services the Newberry Group has successfully and consistently enhanced their client's performance.

Everyone in her office reflects on Brenda as one of the most "tireless" people they know. Driven is also a word, but does not reflect the self-sacrifice, caring, soft-spoken, attitude and demeanor that represent Brenda. Grace and elegance are closer but those words do not describe the internal strength and past struggles Brenda endured that created her strength in character. She works over 12-hour days in order to accomplish her community and business involvement, but also takes time to care about her employees and her family. She is truly an inspiration to all; especially to women who desire to succeed in the professional business world...with grace.

### **8(a)/BD and SDB, Continued from page 1**

Successful applicants must also meet applicable size standards for small business concerns, be in business for at least two years, display reasonable success potential, and display good character. Although the two-year requirement may be waived, firms must continue to comply with various requirements while in the program.

#### **Benefits of the Program**

- Participants can receive sole-source contracts, up to a ceiling of \$3 million for goods and services and \$5 million for manufacturing. While SBA helps 8(a) firms build their competitive and institutional know-how, the agency also encourages them to participate in competitive acquisitions.
- Federal acquisition policies encourage federal agencies to award a certain percentage of their contracts to SDBs. To speed up the award process, the SBA has signed memorandums of understanding with 25 federal agencies allowing them to contract directly with certified 8(a) firms.
- Recent changes permit 8(a) firms to form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) firms to perform larger prime contracts and overcome the effects of contract bundling (which is the combining of two or more contracts together into one large contract).

Program goals require 8(a) firms to maintain a balance between their commercial and government business. There is also a limit on the total dollar value of sole-source contracts that an individual participant can receive while in the program: \$100 million or five times the value of its primary North American Industry Classification Codes code. The overall program goal is to graduate firms that will go on to thrive in a competitive business environment.

To achieve this end, SBA district offices monitor and measure the progress of participants through annual reviews, business planning, and systematic evaluations. 8(a) participants may take advantage of specialized business training, counseling, marketing assistance, and high-level executive development provided by the SBA and its resource partners. They may also be eligible for assistance in obtaining access to surplus government property and supplies, SBA-guaranteed loans, and bonding assistance.

#### **Applying to the 8(a) Program**

You can apply to the 8(a) Program online at [www.sba.gov](http://www.sba.gov) and scroll to the 8 (a) BD/SDB Electronic Application or contact Bev Haake in the district office at 314-539-6600, ext. 229.

### **Small Business Week May 8-12, 2006**

"America's economy is the most prosperous in the world, and the small business sector is one of its great strengths," George W. Bush, President of the United States of America.

In recognition of the small business community's contributions to the American economy and society, the President of the United States designates one week each year as Small Business Week.

"For more than 40 years, Small Business Week has recognized outstanding small business owners for their personal achievements and contributions to our nation's economy. Small Business Week gives us the opportunity to showcase and recognize some of the best and brightest of those successful entrepreneurs," Hector V. Barreto, SBA Administrator.

Would you like to be a part of this celebration? Any individual or organization dedicated to the support of the small business community, including, but not limited to, trade and professional associations and business organizations, may be a part of the Small Business Week committee.

If you are interested in reading more about Small Business Week and the awards process, log onto [www.sba.gov/mo/stlouis](http://www.sba.gov/mo/stlouis) or [www.smallbusinessweekstl.org](http://www.smallbusinessweekstl.org) for further details. Mark your calendars! Small Business Week is May 8-12

## Are SBA Loan Programs Right for You?

One of the responsibilities of the SBA is to guarantee loans for small business entities. An approved SBA lender came to St. Louis in August to present a series of Community Express Loan Workshops in which they worked with small business owners to get them funding in the loan amounts of \$5,000, \$10,000 and \$15,000. This loan program is designed to increase lending to businesses with 50 percent or more ownership by women, minorities and/or veterans, and by businesses located or locating in low and moderate income urban and rural areas.

These Community Express loans require no collateral, no financial statements and the business plan does not have to be completed at the time the entrepreneur applies for the loan, but they must have a business checking account. These Community Express loans receive an 85 percent SBA guaranty. The loan proceeds can be used for any legitimate business purpose.

These loans are part of a SBA Community Express loan program where loans can be approved for up to a maximum of \$250,000.

To read more about any of SBA's loan programs, log onto <http://www.sba.gov/mo/stlouis/financing.html>. We plan to have a SBA approved lender offer another series of Community Express Loan Workshops in February in the St. Louis District. If you are interested in these types of loans, check out the SBA St. Louis web site at [www.sba.gov/mo/stlouis](http://www.sba.gov/mo/stlouis) to see what we have set up next.

## Most Active Lender Rankings For Fiscal Year 2005

Multi-State	# of Loans	Amount
US Bank NA	190	17,247,600
Innovative Bank	98	745,000
Commerce Bank NA	92	8,777,300
Bank of America NA	78	2,586,200
National City	64	4,903,900
Capital One Federal Savings	59	2,725,000
Regions Bank	36	6,006,470
CIT Small Business Lending	18	6,548,000

Community Banks	# of Loans	Amount
Central Trust Bank	27	2,975,900
Heartland Bank	25	5,934,100
Southwest Bank of St. Louis	23	6,459,400
The Bank of Missouri	16	2,475,550
Premier Bank	15	3,446,500
Eagle Bank and Trust	13	2,734,000
Exchange Bank	12	990,800

Certified Development Companies	# of Loans	Amount
Economic Development Center of St. Charles County	22	10,060,000
Business Finance Corp. of St. Louis County	17	8,009,000
RMI	11	5,178,000